

The scenario continues. Dave and Valerie Jenkins are married and file a joint tax return. The modified adjusted gross income from Form 1040, line 38, is \$84,000. Their tax before credits on line 44 is \$8,630. Line 2 of their Form 8863 indicates that their tentative Hope credit is \$1,500; their tentative lifetime learning credit in line 6 is \$444. They are not claiming any other credits on lines 47 through 49 of their Form 1040.

Scroll down to calculate their total education credits.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Part III Allowable Education Credits

| | | | | |
|-----------|--|-----------|---|---|
| 7 | Tentative education credits. Add lines 2 and 6 | 7 | | |
| 8 | Enter: \$107,000 if married filing jointly; \$53,000 if single, head of household, or qualifying widow(er) | 8 | | |
| 9 | Enter the amount from Form 1040, line 38*, or Form 1040A, line 22 | 9 | | |
| 10 | Subtract line 9 from line 8. If zero or less, stop ; you cannot take any education credits | 10 | | |
| 11 | Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er) | 11 | | |
| 12 | If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places) | 12 | × | . |
| 13 | Multiply line 7 by line 12 ► | 13 | | |
| 14 | Enter the amount from Form 1040, line 46, or Form 1040A, line 28 | 14 | | |
| 15 | Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30 | 15 | | |
| 16 | Subtract line 15 from line 14. If zero or less, stop ; you cannot take any education credits ► | 16 | | |
| 17 | Education credits. Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31 ► | 17 | | |

* If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.